



421 – CONTRACT TERMINATION: NURSING FACILITIES AND ALTERNATIVE RESIDENTIAL SETTINGS

EFFECTIVE DATE: 04/08/09, 11/01/12, 10/01/13

REVISION DATE: 10/11/12, 08/29/13

STAFF RESPONSIBLE FOR POLICY: DHCM OPERATIONS

I. PURPOSE

This policy applies to ALTCS/EPD Contractors in a Geographic Service Area (GSA) with more than one Contractor for Title XIX covered services, (hereafter known as Contractors), AHCCCS registered Nursing Facilities (NF) and Alternative Residential Settings (ARS).

This policy is limited to and defines the relationship between a NF and/or an ARS and a Contractor following the termination of a contract between these entities, regardless of which entity terminates the contract or the reason for contract termination. This policy delineates how the Contractor, NF and ARS will collaborate to provide for the needs of the members residing in the facility at the time of contract termination.

II. DEFINITIONS

ADD-ON

Generally refers to contract standards that a Contractor may have with a NF to establish criteria for additional payment to the Class 1, 2 or 3 levels determined by the UAT.

ALTERNATIVE RESIDENTIAL SETTING (ARS)

Under the Home and Community Based Services (HCBS) program, members may receive certain services while they are living in an alternative HCBS setting. HCBS settings as defined in 9 A.A.C. 28 Article 1 and AMPM Chapter 1200, section 1230. Alternative residential settings include but are not limited to Assisted Living Centers (ALC), Assisted Living Homes (ALH) Adult Foster Care (AFC) Homes, Behavioral Health Residential facilities, and Behavioral Health Supportive Homes.



ANNIVERSARY DATE	The month the member is able to make an annual enrollment choice. The Anniversary Date is in most situations 12 months from the date the member was enrolled with the Contractor and annually thereafter. Only members in a GSA with more than one Contractor have a choice of Contractors.
NURSING FACILITY (NF)	A health care facility that is licensed and Medicare/Medicaid certified by the Arizona Department of Health Services in accordance with 42 CFR 483 to provide inpatient room, board and nursing services to members who require these services on a continuous basis but who do not require hospital care or direct daily care from a physician. Contracted NFs are those facilities that have a contract with a Contractor. Non-contracted NFs are those facilities that do not have a contract with a Contractor.
ROOM AND BOARD (R&B)	The amount paid for food and/or shelter. Medicaid funds can be expended for room and board when a person lives in an institutional setting (e.g. NF, ICF/MR). Medicaid funds cannot be expended for room and board when a member resides in an alternative residential setting (e.g. Assisted Living Home, Behavioral Health Residential Facilities) or an apartment like setting that may provide meals.
SUBACUTE OR SPECIALTY CARE	Generally refers to contract standards that a Contractor may have with a NF to establish criteria for paying a rate higher than the Class 1, 2 and 3 levels determined by the UAT.
SHARE OF COST (SOC)	The amount an ALTCS member is required to pay toward the cost of long term care services is called the share of cost.
UNIVERSAL ASSESSMENT TOOL (UAT)	A standardized tool that is used by Contractors to assess the acuity of NF residents and commonly used for ARS residents residing in ALC, ALH and AFC settings. The use of the UAT is not intended to impact how Contractors determine authorizations for specialty levels of care (e.g., wandering dementia, medical sub-acute and behavioral management). This tool is located in Chapter 1600 of the AHCCCS Medical Policy Manual.

**III. POLICY****A. MEMBER/RESIDENT OPTIONS WHEN CONTRACT IS TERMINATED**

Affected members residing in a NF and/or ARS at the time of a contract termination may continue to reside in that facility until their open enrollment period, at which time they must either choose a Contractor that is contracted with the facility, or move to a setting that is contracted with their current Contractor.

A meeting between the Contractor, NF and/or ARS and AHCCCS will be held prior to the effective date of the contract termination to plan all aspects related to the change in contract status and impact on members and representatives.

The Contractor in collaboration with the NF and/or ARS and AHCCCS must develop a member/representative communication plan. The purpose of the communication plan is to provide affected or impacted members and/or their representatives with consistent information regarding the contract termination. The Contractor must receive approval of their member/representative communication plan from the Division of Health Care Management Operations Unit. The plan must be submitted to AHCCCS within five business days of the termination decision.

B. REIMBURSEMENT**1. Nursing Facilities**

The Contractor shall reimburse the NF at the previously contracted rates or the AHCCCS fee for service schedule rates, whichever are greater. Should AHCCCS increase its fee schedule, the Contractor shall reimburse the NF at the greater of the AHCCCS fee for service schedule rates or the Contractor's previously contracted rates. Should AHCCCS reduce its fee schedule, the Contractor shall reduce its previously contracted rates by the same percentage, and pay the greater of the adjusted rates.

If the Contractor had in place a provision for subacute, specialty care or add-on rates at the time of the contract termination, then the Contractor shall apply those rates. Should AHCCCS adjust its fee schedule, then the Contractor will adjust its subacute or add-on rate(s) by the average adjustment to the NF fee schedule rates.

2. Alternative Residential Settings

The Contractor shall reimburse the ARS at the previously contracted rate. Should AHCCCS adjust its HCBS Fee Schedule rates, the Contractor will adjust its ARS rates by the average percentage that the HCBS Fee Schedule rates are adjusted.

**C. QUALITY OF CARE**

In the event that a Contractor or other entity, such as Arizona Department of Health Services (ADHS) Licensure or AHCCCS identifies instances where the overall quality of care delivered by a NF or ARS places residents in immediate jeopardy, the Contractors will inform residents /representative of the problems and offer the residents alternative placement. Members may have the option to continue to reside in the NF or ARS. In some cases, ADHS or AHCCCS may require that the Contractor find new placements for residents. In such cases, the Contractor shall work with the resident/representative to identify an appropriate placement that meets the needs of the resident. AHCCCS may also advise the Contractor in cases where the NF or ARS is under a bankruptcy or foreclosure order. In these instances, the Contractor should review the financial, health and safety status prior to placing a resident in a placement owned by the same entity. In the event that a Contractor identifies a member specific quality of care concern, the Contractor shall identify that to the NF or ARS for resolution. The Contractor shall also report to external entities, and to AHCCCS as required by Chapter 900 of the AMPM.

D. ADMISSIONS / DISCHARGES / READMISSIONS

1. NFs or ARSs are not required to accept new admissions of members who are enrolled with a non-contracted Contractor.
2. NFs are required to otherwise follow admission, readmission, transfer and discharge rights as per 42 CFR 438.12.
3. The Contractor may authorize bedhold days up to the allowed limit (Short Term Hospitalization Leave – 12 days and Therapeutic – nine days) as per Chapter 100 of the AMPM.

IV. REFERENCES

- 42 CFR 483, Subpart B.
- ALTCS/EPD Contract, Section D
- AMPM Chapter 900
- AMPM Chapter 1200
- AMPM Chapter 1600